

**COMPETITIVE ANALYSIS:
WHO'S WINNING?
WHO'S LOSING?**

**Peter A. Cunningham
President
INPUT**



HISTORIC COMPETITIVE STRUCTURE

	1976	1982
Independents	54%	62%
Computer Manufacturers	17%	12%
Subsidiaries	14%	16%
Other	15%	10%
Total	100%	100%

7/1/18



**MAJOR INFORMATION SERVICE PLAYERS
1985**

Independents	52%
Computer Manufacturers	15%
Subsidiaries	17%
Other	16%
	100%

**MAJOR INFORMATION SERVICE
PLAYERS
1990**

Independents	44%
Computer Manufacturers	20%
Subsidiaries	16%
Other	20%
- "Big 8" Firms	100%
- RBOCs	
- ?	

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**TOP INFORMATION SERVICE SALES STARS
U.S. MARKET, NON-CAPTIVE REVENUE 1985**

RANK 1985	COMPANY
1	International Business Machines (IBM)
2	Automatic Data Processing
3	Electronic Data Systems
4	Computer Sciences Corporation
5	McDonnell Douglas Information Services



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**VENDOR
SPOTLIGHT**

11700

11701

11702

LARGEST PROCESSING SERVICES VENDORS

RANK 1985	COMPANY
1	Automatic Data Processing
2	Electronic Data Systems
3	McDonnell Douglas Information Services
4	Control Data Corporation
5	General Electric Information Services

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PROCESSING/NETWORK SERVICES VENDORS

- **ADP**
 - **Control Data**
 - **GTECH**
 - **Telerate**
-

200

1000

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LARGEST SOFTWARE PRODUCTS COMPANIES

RANK 1985	COMPANY
1	International Business Machines (IBM)
2	Lotus Development Corp.
3	Cullinet Software
4	Microsoft Corp.
5	Computer Associates International, Inc.

SOFTWARE PRODUCTS VENDORS

- Cullinet
 - Hogan
 - LOTUS
 - Sterling Software
-



LARGEST PROFESSIONAL SERVICES VENDORS

RANK 1985	COMPANY
1	International Business Machines (IBM)
2	Computer Sciences Corporation
3	Arthur Andersen & Company
4	Peat, Marwick & Mitchell
5	Burroughs Corporation



PROFESSIONAL SERVICES VENDORS

- **Arthur Andersen**
 - **Computer Sciences Corp.**
 - **Computer Task Group**
 - **EDS**
-

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LARGEST TURNKEY SYSTEMS VENDORS

RANK 1985	COMPANY
1	Intergraph Corporation
2	Computervision Corporation
3	Gerber Scientific
4	Calma Company
5	HBO & Company



TURNKEY SYSTEMS

- ASK
 - Computervision
 - HBO
 - Triad
-



**FUTURE
COMPETITIVE
TRENDS**

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WHY THE CHANGE?

DEREGULATION

Banking: First Data Management

Telecommunications: RBOCs

Transportation: American Airlines



BANKS/FINANCE

- Chase Manhattan
- Bank of America
- Mellon Bank
- American Express
- Citicorp



INFORMATION/FINANCIAL SERVICES

- D&B
- McGraw-Hill
- EQUIFAX
- Transunion



MANUFACTURERS

- McDonnell Douglas
- Litton
- Martin Marietta
- TRW
- Ford
- General Electric
- Boeing
- Schlumberger
- Grumman
- Xerox
- General Motors



COMPUTER COMPANIES

- IBM
 - CDC
 - Burroughs
 - DEC
 - SPERRY
 - TI
 - NCR
 - Honeywell
 - Hewlett-Packard
 - Tandy
 - Apple
-



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IBM VERSUS EVERYONE ELSE



COMMUNICATIONS

- United Telecom
- GTE
- RBOCs
- Contel
- AT&T



Giant Firms

INFORMATION SERVICES APPEAL

- Leverages Core Businesses, Financial Assets
 - Large, High Growth Opportunities
 - Potential for Significant Market Share
 - Enhance Company Valuation
 - Accelerate Technology Assimilation
-



Giant Firms

CHALLENGES FACED

- **Requires**
 - **Adaptation to High Rate of Change**
 - **Specialized Management**
 - **Handling Compensation Differences**



Giant Firms

IMPACT ON COMPANY

- Potential Large Losses
- Organizational Upheavals
- Phases
 - Honeymoon
 - ↓
 - Disappointment
 - ↓
 - Resurgence
- Can Evolve to Major Business Segment



**RBOCs
WHO'S NEXT?**

Ameritech	- Applied Data Research (ADR)
Bell Atlantic	- SORBUS
NYNEX	- IBM Product Centers
US West	- Applied Communications



RETAILERS

- Computerland
- Macy's
- Entré
- Sears
- Businessland
- Softwaire Centre



**INTERNAL
VERSUS EXTERNAL
COMPETITIVE EDGE**



NEW WAYS TO COMPETE

- **Aquisition**
 - **Strategic Partnering**
 - **Vertical Specialization**
 - **Connectivity**
-



KEYS TO SUCCESS

**STAY
IN TUNE AND IN STEP
WITH CUSTOMERS**



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MORE FOCUS



